

**TEXAS APPRAISER LICENSING  
AND CERTIFICATION BOARD**

vs.

**MANUEL PASILLAS  
TX-1326077-R**

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**DOCKETED COMPLAINT NO. 05-075**

**AGREED FINAL ORDER**

On this the 5th day of October, 2007, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Manuel Pasillas, (Respondent). The Board makes the following findings of fact and conclusions of law and enters this Order:

**FINDINGS OF FACT**

1. Respondent Manuel Pasillas, a state certified residential real estate appraiser holds and has held certification TX-1326077-R during all times material to the factual findings and legal conclusions contained in this Order.
2. Respondent is subject to the jurisdiction of the Board, the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq. (the Act), the Rules of the Board, 22 TEX. ADMIN. CODE §§153, 155, 157 (the Rules), and the Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal.
3. On or about October 19<sup>th</sup>, 2001, Respondent appraised the subject property located at 215 Sam Bass Road, Willow Park, Parker County, Texas, Texas ("the Sam Bass property") for the client, Ameriquest Mortgage.
4. On February 22<sup>nd</sup>, 2005, TALCB received a staff-initiated complaint against Respondent from Jack McComb, in accordance with TEX. OCC. CODE § 1103.451. The complaint was based upon a referral of information sent by Option One Mortgage to the Texas Real Estate Commission which alleged that Respondent's appraisal report on the subject property was fabricated and contained an inflated opinion of market value, based in part on the use of inappropriate comparable sales which increased the value indicated in the report.
5. On or about February 22<sup>nd</sup>, 2005 the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. § 2001 et. seq., notified Respondent of the nature and accusations involved and Respondent was afforded an opportunity to respond to the accusations alleged by the Complainant. Respondent's response was received.

**6. The Enforcement Division concluded that the Respondent's appraisal report for the Sam Bass property violated the Act, the Rules of the Board, and USPAP by the following acts or omissions:**

- a) USPAP Standards 1-2(e)(i) & 2-2(b)(iii) – Respondent failed to identify and report the Sam Bass property's site description adequately;**
- b) USPAP Standards 1-3(b) & 2-2(b)(x) – Respondent failed to provide a brief summary of his supporting rationale for his determination of the Sam Bass property's highest and best use;**
- c) USPAP Standards 1-4(b)(i) & 2-2(b)(ix) – Respondent failed to use an appropriate method or technique to develop an opinion of the Sam Bass property's site value. He provided no support for his site value determination in his work file;**
- d) USPAP Standards 1-4(b)(ii) & 2-2(b)(ix) – Respondent failed to collect, verify, analyze and reconcile the cost new of improvements;**
- e) USPAP Standards 1-4(b)(iii) & 2-2(b)(ix) – Respondent failed to collect, verify, analyze and reconcile accrued depreciations;**
- f) USPAP Standards 1-1(a) & 1-4(b) – Respondent did not employ recognized methods and techniques correctly. His lack of supporting data in his work file coupled with his lack of detail as to his reasoning behind his site and improvement value conclusions and depreciation estimates indicate that he did not correctly employ recognized methods and techniques;**
- g) USPAP Standards 1-4(a) & 2-2(b)(ix) – Respondent failed to collect, verify, analyze and reconcile comparable sales data adequately. Respondent did not use the most similar and comparable sales available when conducting his sales comparison approach;**
- h) USPAP Standards 1-1(a) & 1-4(a) – Respondent did not employ recognized methods and techniques correctly in his sales comparison approach for the reasons noted above;**
- i) USPAP Standard 1-1(a) – For the reasons noted above, Respondent did not employ recognized methods and techniques correctly to produce a credible appraisal report;**
- j) USPAP Standard 1-1(b) – Respondent committed substantial errors of omission or commission that significantly impacted his appraisal report;**
- k) USPAP Standard 1-1(c) – Respondent rendered appraisal services that were certainly careless or negligent for the reasons noted above;**

- l) USPAP Standard 2-1(a) – For the above-mentioned reasons, Respondent did not set forth his appraisal report in a manner that will not be misleading;
  - m) USPAP Standard 2-1(b) – Respondent's report does not contain sufficient information to enable the intended users of the appraisal to understand the report since no useful data or analysis was provided; and,
  - n) USPAP Standards 2-3 & 2-2(b)(xii) – The work file and report copies provided by Respondent did not have a signed certification.
7. The Enforcement Division concluded that the Respondent violated 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a) by failing to conform to USPAP in effect at the time of the appraisal report for the Sam Bass property.
8. The Enforcement Division concluded that the Respondent violated 22 TEX. ADMIN. CODE §§ 153.20(a)(9) by making material misrepresentations and omissions of material facts in the appraisal report of the Sam Bass property. These material misrepresentations and omissions of material fact include: omitting more appropriate comparable sales.

### CONCLUSIONS OF LAW

1. The Texas Appraiser Licensing and Certification Board has jurisdiction over these matters pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE §§ 1103.451–1103.5535 (Vernon 2005).
2. Respondent violated the following USPAP provisions as prohibited by 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a): USPAP Standards Rules: 1-2(e)(i) & 2-2(b)(iii); 1-3(b) & 2-2(b)(x); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(ix); 1-4(b)(iii) & 2-2(b)(ix); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(ix); 1-1(a) & 1-4(a); 1-1(a); 1-1(b); 1-1(c); 2-1(a); 2-1(b); and, 2-3 & 2-2(b)(xii).
3. Respondent violated 22 TEX. ADMIN. CODE §§ 153.20(a)(9) by making material misrepresentations and omissions of material facts in his Sam Bass property appraisal report.

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that Respondent shall:

1. Have his certification revoked, with the revocation being fully probated for a two year period under the conditions outlined below:
  - a. Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board. The log shall be submitted every three months and shall detail all real estate appraisal activities he has

conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting that the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of his appraisal reports and work files for any appraisal assignments he performs during the course of his period of probation within twenty days of notice of any such request; and,

b. Respondent shall fully comply with the provisions of this Order.

2. Pay to the Board an Administrative Penalty of \$3,000.00;
3. Attend and complete a minimum, 15 classroom-hour course in USPAP;
4. Attend and complete a minimum, 15 classroom-hour course in Sales Comparison;
5. Attend and complete a minimum, 15 classroom-hour course in Residential Market Data Analysis;
6. Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies; and,
7. Comply with all provisions of the Act, the Rules of the Board, and USPAP in the future, or be subjected to further disciplinary action.

Payment of the **ADMINISTRATIVE PENALTY** must be by certified funds, and must be completed within **TWENTY DAYS** of the date of this Agreed Final Order. Failure to pay the administrative penalty within the time allotted shall result in termination of Respondent's probation and **IMMEDIATE REVOCATION** of Respondent's certification pursuant to notice to Respondent from the Board indicating that Respondent has not paid the administrative penalty.

**ALL CLASSES** required by this Agreed Final Order must be classes approved by the Board and must be completed within **TWELVE MONTHS** of the date of this Order and documentation of attendance and successful completion of the educational requirements of this Order shall be delivered to the Board on or before the end of the twelve-month period indicated. None of the classes or seminars required by this Order may be taken through correspondence courses. All classes must be in-class, have an exam, and Respondent must have a passing grade on the exam given in each class. None of these required classes will count toward Respondent's continuing education requirements for certification.

Failure to complete the education required by this Agreed Final Order within the time allotted shall result in termination of Respondent's probation and **IMMEDIATE REVOCATION** of the Respondent's certification pursuant to notice to the Respondent from the Board indicating that the Respondent has not fulfilled the educational

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requirements of this Agreed Final Order.

**ANY SUCH REVOCATION SHALL BE EFFECTIVE WITHOUT THE NEED FOR A HEARING OR OTHER ADMINISTRATIVE DUE PROCESS UNDER THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT OR THE ADMINISTRATIVE PROCEDURE ACT, AND RESPONDENT SPECIFICALLY WAIVES ANY SUCH HEARING OR DUE PROCESS.** Respondent shall be notified of any such revocation or lifting of probation by certified mail, return receipt requested, to the last known address as provided to the Board.

Respondent, by signing this Agreed Final Order, neither admits nor denies that the findings of fact and conclusions of law herein set forth are correct; however, Respondent consents to the entry of this Agreed Order to avoid the expense of litigation and to reach an expeditious resolution of this matter. Respondent also agrees to satisfactorily comply with the mandates of this Agreed Final Order in a timely manner.


Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing and any right to seek judicial review of this Agreed Final Order. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published in the Board's newsletter and/or on the Board's web site.

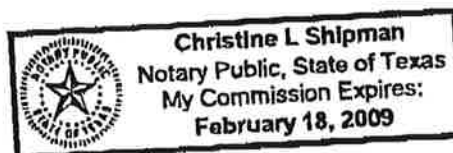
THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

Signed this 10 day of August, 2007.

  
MANUEL PASILLAS

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 10 day of August, 2007, by MANUEL PASILLAS, to certify which, witness my hand and official seal.

  
Notary Public Signature  
Christine L. Shipman  
Notary Public's Printed Name



Signed by the Commissioner this 4th day of October, 2007.



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**Loretta DeHay, Interim Commissioner**  
**Texas Appraiser Licensing and Certification Board**

Approved by the Board and Signed this 5 day of Oct, 2007.



**Larry Kokel, Chairperson**  
**Texas Appraiser Licensing and Certification Board**